GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:1907
ANSWERED ON:28.07.2016
Losses incurred by Aviation Sector
Pala Shri Vincent H;Sahu Shri Chandu Lal

Will the Minister of CIVIL AVIATION be pleased to state:

(a) the total number of airports/airstrips managed by Airports Authority of India (AAI) and by other operators in the country, State/UT-wise;

(b) the number of airports under AAI that has been running in loss due to high maintenance costs and the details of maintenance costs of these airports annually;

(c) the total amount of outstanding dues of AAI on various airlines, airline-wise and the steps taken to recover the same;

(d) the total loss incurred by the aviation sector during the last three years and the current year, year-wise and the percentage of total loss incurred by Air India during the same period including the reasons for the same;

(e) the total number of airports operational in the country and the number of profitable airports operational during Financial Year 2015-16; and

(f) whether the Government has institutionalised any mechanism for the settlement of loans and system of recovery on the losses incurred by Air India, and if so, the details thereof ?

Answer

Minister of State in the Ministry of CIVIL AVIATION

(Shri Jayant Sinha)

(a): There are around 475 airports in the country including operational and non-operational airstrips owned by Airports Authority of India (AAI), State Governments, Defence, private parties etc. The State/UT-wise details are at Annexure-I. Out of these, 125 airports are owned and managed by AAI.

(b): The details of loss-making airports of AAI are at Annexure-II.

(c): The details of outstanding due of AAI on various airlines, airlines-wise as on 31.03.2016 are at Annexure-III. AAI takes the following action to recover the outstanding dues: (i) The dues are monitored on regular basis. (ii) In case of delay, AAI issues notice to airlines to settle the dues. (iii) Penal interest is charged on account of delay in settlement of bills. (iv) In case where delay persists, beside en-cashing the security deposit, the defaulting airline is put on "Cash and Carry basis". (v) Legal course of action is followed in case the over dues persists.

(d): AAI has made a profit of Rs. 2520.31 crores in the year 2013-14, Rs. 2791.41 crores in 2014-15 and Rs. 3697.35 crores in 2015-16. Air India Ltd. has suffered net loss of Rs. 6279.60 crores in financial year 2013-14, Rs. 5859.91 crores in FY 2014-15 and Rs. 2636.00 crores (RE) in FY 2015-16.
Air India Ltd. has been facing losses in the past few years on account of a multitude of factors including high interest burden, increase in competition from low cost carriers, high airport user charges, adverse impact of exchange rate variation due to weakening of Indian Rupee, etc.

(e): Out of the 125 airports of AAI, 94 airports are operational airports. The thirteen profitable operational airports of AAI during the FY 2015-16 are Chennai, Kolkata, Goa (CE), Ahmedabad, Pune (CE), Juhu, Leh (CE), Port Blair (CE), Bagdogra, Guwahati, Chandigarh, Lucknow, Tiruchirapalli.

(f): In view of the losses suffered by Air India in the past few years and its mounting debt burden, the Government has already approved the Turnaround Plan (TAP) and the Financial Restructuring Plan (FRP) for operational and financial turnaround of Air India. The TAP/FRP envisages equity infusion which includes financial support towards repayment of principal as well as interest on the Govt. guaranteed loans taken for the acquisition of aircrafts by Air India Ltd. subject to achievement of certain financial and operational parameters. Till date, the Government has already infused an amount of Rs.23,243 crores in the form of Equity Infusion into Air India. Air India has also discharged off all its aircraft loans and interest liabilities thereon at the end of March, 2016 and has achieved most of the targets set out in the TAP milestones along with simultaneous progress in both operational as well as financial areas.